



George H. Ryan, Governor
Jackie Garner, Director

Illinois Department of Public Aid

201 South Grand Avenue East
Springfield, Illinois 62763-0001

Telephone: (217) 782-1200
TTY: (800) 526-5812

10/30/01

INFORMATIONAL NOTICE

TO: PARTICIPATING FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs) AND
RURAL HEALTH CLINICS (RHCs)

RE: Change in Billing and Payment Policy

As a result of a change in federal law, Section 702 of the *Medicare, Medicaid and SCHIP Benefits Improvement Act of 2000 (BIPA)*, changes have been made to the billing payment policies and payment that apply to the clinics. Except as otherwise noted, these changes will be made retroactively, applicable to all services provided on or after January 1, 2001, as mandated by the federal law.

Fee-for-Service

For states, like Illinois, that have elected to reimburse FQHCs and RHCs under a prospective payment system (PPS), the *BIPA* requires that billable services provided by an FQHC or RHC be reimbursed through the PPS encounter rates only. **It prohibits FQHCs and RHCs from billing fee-for-service (FFS) for any service provided at the clinic or at the patient's place of residence.** As a result, the *BIPA* requirements nullify the Department's Informational Notice dated January 12, 2000, allowing FFS billings for registered nurse visits.

Therefore, all FFS payments made for services rendered on or after January 1, 2001, must be **promptly refunded** to the Department. This includes, but is not limited to, medical services, dental services and ancillary services such as laboratory and x-ray. Instructions for making refunds to the Department can be found in the [Handbook for Providers of Medical Services, Chapter 100](#), Topics 132 and 133.

Behavioral Health Services

FQHCs and RHCs may request payment for behavioral health services provided by a licensed clinical psychologist or licensed clinical social worker.

FQHCs or RHCs will be allowed to bill for behavioral health services retroactive to **January 1, 2001** as long as the following conditions are met:

- The FQHC or RHC reported behavioral health services in its 1999 or 2000 cost reports.
- The FQHC or RHC enrolls with the Department to provide behavioral health services. Contact the Bureau of Comprehensive Health Services FQHC/RHC Coordinator at (312) 793-3080 to enroll the clinic for behavioral health services.

E-mail: dpawebmaster@mail.idpa.state.il.us

Internet: <http://www.state.il.us/dpa/>

Behavioral health services provided during calendar year 2001 will be billed with unique procedure code(s) that will be supplied by the Department at the time the clinic enrolls for behavioral health services. Reimbursement for behavioral health services for calendar year 2001 will be made at the clinic's 2001 PPS medical encounter rate. Bills for behavioral health services provided for dates of service January 1, 2001 through June 30, 2001, must be submitted to the Department no later than 15 months from the date of service. Bills for behavioral health services rendered July 1, 2001, and after will be subject to the Department's twelve-month timely filing policy.

A FQHC or RHC that did not report behavioral health services in its 1999 or 2000 cost reports, but would like to add this service, must enroll with the Department to provide this service. A redetermination of rates will be initiated by the Department at the time of enrollment since there will be a change in the clinic's scope of service. Contact the Bureau of Comprehensive Health Services FQHC/RHC Coordinator at (312) 793-3080 for instructions on how to make a change in the clinic's scope of service.

Billable Encounter

A billable encounter is defined as a face-to-face visit with a physician, physician assistant, midwife or nurse practitioner or, if the FQHC or RHC is enrolled to provide dental or behavioral health services, a dentist, licensed clinical psychologist, or licensed clinical social worker, as applicable. Only services provided at the FQHC or RHC site or the patient's place of residence are billable as an encounter. The face-to-face visit and all other ancillary services provided on a specific date of service will be reimbursed by the Department at the FQHC's or RHC's applicable (medical, dental or behavioral health) encounter rate. If the service provided to a patient does not meet the definition of a billable encounter, **no reimbursement** can be made by the Department. An example of such a non-billable encounter would be podiatric or optometric service provided on a day when a face-to-face visit was not rendered by one of the providers listed above. In those situations, payment **cannot** be sought from the Department. Note, however, the cost of those services, to the extent that they are included in the clinic's cost reports, continues to be reimbursed through the medical encounter rate.

An FQHC or RHC may bill only one medical encounter per patient per day and, if enrolled with the Department to provide dental services, one dental encounter per patient per day. Effective January 1, 2001, FQHCs and RHCs who enroll with the Department to provide behavioral health services may, in addition, bill one behavioral health encounter per patient per day.

Questions regarding billing requirements should be directed to the Bureau of Comprehensive Health Services at (217) 782-5565.

Jackie Garner
Director